

**Follow-up Audit
Vital Registry and Health Statistics Program**

March 2000

City Auditor's Office

City of Kansas City, Missouri

March 8, 2000

Honorable Mayor and Members of the City Council:

This follow-up audit of the city's Vital Registry and Health Statistics Program was initiated by the city auditor pursuant to Article II, Section 13 of the city charter. The follow-up report was initiated as part of the City Auditor's Office policy of determining department progress in improving program operations subsequent to issuance of our audit reports.

Our 1994 performance audit found weaknesses in management controls over the issuance and custody of vital records. Certificate issuance duties were not segregated, security was lax over the certificates, and mail requests were sometimes fulfilled despite being incomplete. We also found problems with customer service, with often only one counter clerk available to wait on customers. Finally, we found that the city charged less than the state to provide certificates.

The control environment has improved. Department management is actively supporting management controls, educating employees about controls, and providing resources to implement needed controls. The current program manager discovered that an employee had embezzled funds and took steps to correct the practices that allowed it to happen.

Although the program has strengthened its management controls, more improvements are needed. Many of the problems that existed at the time of the embezzlement have been eliminated, but cash handling and deposit duties need to be segregated to reduce the risk of loss or theft. Program management should reconcile cash receipts from sales to register tapes, completed applications, and the pre-numbered documents issued. Such reconciliations could serve as a means of detecting irregularities. We also found that security over certificate paper and the city seal used to certify records needs to be strengthened. The Health Department's new facilities allow vital records to be adequately secured from unauthorized access; however, archival records could be better protected from further deterioration. We make a number of recommendations designed to further strengthen management controls and protect original records. The program has made significant improvement in its customer service function. More employees staff the counter, particularly at busy times such as at the start of the school year. In addition, staff have attended customer service training.

The draft follow-up report was sent to the city manager and director of health on February 4, 2000. Written responses are included as appendices. We appreciate the courtesy and cooperation extended to us during this project by staff in the Vital Registry and Health Statistics Program. The auditor in charge of this project was Douglas Jones.

Mark Funkhouser
City Auditor

Follow-up Audit: Vital Registry and Health Statistics Program

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Introduction

Objectives

This follow-up audit of the Health Department's Vital Registry and Health Statistics Program was conducted pursuant to Article II, Section 13 of the Charter of Kansas City, Missouri, which establishes the Office of the City Auditor and outlines the city auditor's primary duties.

A performance audit is an objective, systematic examination of evidence to independently assess the performance of a government organization, program, activity, or function in order to provide information to improve public accountability and facilitate decision-making.¹ A follow-up audit is an examination for the purpose of reporting on the extent to which an agency has addressed the problems identified and the recommendations made in a prior audit. This follow-up was designed to answer the following questions:

- Have controls over the security and issuance of birth and death certificates improved?
- Have steps been taken to better manage customer service?
- Have fees increased to the level charged by the state?

Scope and Methodology

This follow-up audit was not designed or intended to be another full-scale audit of the Vital Registry and Health Statistics Program; rather, it was designed to determine the progress made by the Health Department in addressing issues raised in our 1994 audit. This audit was performed in accordance with generally accepted government auditing standards, with the exception of the completion of an external quality control review of the office within the last three years.² Our methods included:

¹ Comptroller General of the United States, *Government Auditing Standards* (Washington, DC: U.S. Government Printing Office, 1994), p. 14.

² The last review was performed in April 1995. A peer review is planned for the current year.

- Reviewing our May 1994 audit, selected workpapers, and Audit Report Tracking System (ARTS) reports submitted by Health Department management in response to the audit.
- Interviewing Health Department staff responsible for administering the Vital Registry and Health Statistics Program.
- Examining Health Department procedures and documents related to the Vital Registry and Health Statistics Program.
- Reviewing state statutes and regulations governing the issuance of birth and death certificates.

No information was omitted from this report because it was deemed privileged or confidential.

Background

The Health Department's Vital Registry and Health Statistics Program is responsible for filing, maintaining, registering, and providing certified copies of birth and death records in Kansas City, Missouri. Program staff process walk-in, mail, and telephone requests for copies of birth and death certificates. The city's Health Department has original records of Kansas City, Missouri, births and deaths between 1874 and 1910 and copies of vital records dated 1910 and later. The state Health Department is the repository for all original birth and death certificates issued in Missouri since 1910. Certified copies of Missouri birth or death certificates can be obtained from local county health departments or the St. Louis city or Kansas City health departments.

Legislative Authority

The city charter and city code require the director of health to "provide for and require the registration of deaths, births, and marriages occurring within the city".³ The state has delegated authority to the city for issuing birth and death certificates.⁴ State statutes authorize the issuance of vital records to any applicant having a direct and tangible interest in the vital

³ Charter of Kansas City, Missouri, Article III, Sec. 35; and Code of Ordinances, Kansas City, Missouri, Sec. 2-262.

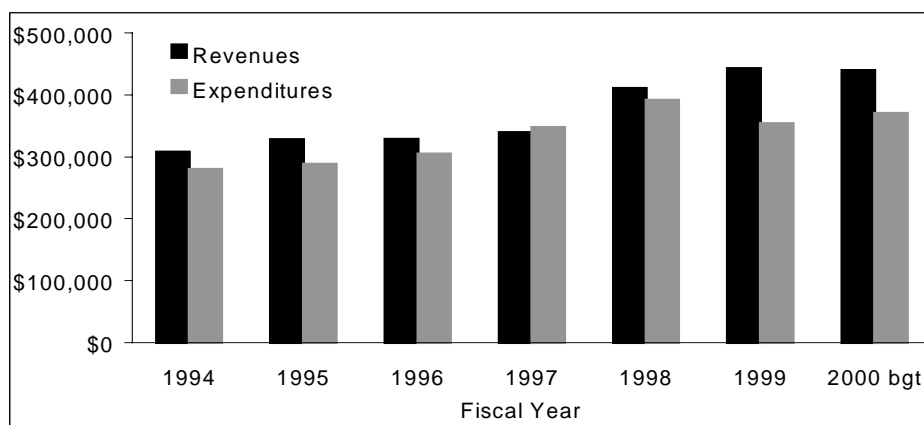
⁴ RSMo §193.055, §193.065; and Code of State Regulations 19 CSR 10-10.020.

record.⁵ State regulations further describe who will be granted access to vital records.⁶

Expenditures and Revenues

Expenditures and revenues have increased since the release of the original audit. The program's fiscal year 2000 adopted budget is \$370,000 for expenditures with \$440,000 in anticipated revenue.⁷ (See Exhibit 1.)

Exhibit 1. Program Revenues and Expenditures, Fiscal Years 1994 - 2000⁷



Sources: Kansas City, Missouri Financial Management System and Adopted Budgets.

Program revenues are generated from fees charged for the issuance of birth and death certificates. In calendar years 1998 and 1999 a total of 93,630 birth and 33,288 death certificates were issued. (See Exhibit 2.)

Exhibit 2. Certificates Issued, Calendar Years 1998 – 1999

Year	Short Form Birth	Full Form Birth	State Birth	City Death	State Death	Total
1998	10,034	18,281	18,139	16,956	1,057	64,467
1999	9,246	18,965	18,965	14,467	808	62,451

Source: Vital Registry and Health Statistics Program records.

Summary of 1994 Audit

The 1994 audit found that fees charged by the program for birth and death certificates were less than those charged by the state and other jurisdictions in Missouri; controls over issuance and custody of certificates were

⁵ RSMo §193.255.1.

⁶ 19 CSR 10-10-090.

⁷ Indirect costs associated with the program are not included in program expenditures.

Follow-Up Audit: Vital Registry and Health Statistics Program

inadequate; duties were not segregated; and customer service needed improvement.

The original report included six recommendations directed at increasing fees, strengthening management controls, and improving customer service. (See Appendix A.) Audit Report Tracking System (ARTS) Reports submitted by management are included in Appendix B.

Findings and Recommendations

Summary

Our follow-up determined that management has strengthened some controls over the issuance and storage of vital records. Deposits are made on a daily basis, access to cash and vital records is restricted, and customer service has improved. The risk of loss or theft can be further reduced by additional improvements to management controls. Cash handling duties should be segregated, security over certificate materials needs strengthening, and mail application procedures could be more consistent.

Further Management Control Improvements Needed

Our review of the city's Vital Registry and Health Statistics Program determined that although the program has strengthened some management controls since our original audit, further improvement is needed. Weak controls over cash contributed to a 1998 embezzlement by a program employee. Our follow-up determined that many of the problems that existed at the time of the embezzlement have been eliminated by actions taken by the current program manager. However, segregating cash handling and deposit duties can further reduce the risk of loss or theft. Reconciliations, which serve as a means of detecting problems, could be more complete. We also found that security over certificate paper and the city imprint seal used to certify records needs to be strengthened. Vital records are adequately secured from unauthorized access; however, archival records should be better protected from deterioration.

Cash Handling Controls Should Be Strengthened

The lack of adequate management controls contributed to a 1998 embezzlement of program funds by a former program supervisor. At the time, deposits were not made on a daily basis, deposit and sales records were missing, and duties were not segregated. The current program manager detected the embezzlement and took steps to correct the control problems. Cash controls have since improved and management oversight has increased, but more improvements are needed. Strengthening controls over cash reduces the risk of loss or theft.

Access to cash is restricted. Cash handling improved with the acquisition of cash registers that provide all staff members with their own cash drawers. Access to the registers and cash drawers is ID-controlled. The registers produce a tape recapping daily transactions by type, location, and staff member. Deposits are now made on a daily basis. Records of deposits, daily transactions, and processed applications are maintained in program files.

Incompatible duties increase risk. A staff member with responsibility for issuing vital records certificates and collecting payments also prepares bank deposits and the Cash Receipts form. “Duties are incompatible if a single person can perpetrate and conceal errors and irregularities in the course of performing day-to-day activities.”⁸ This lack of segregation increases the risk of loss or theft. Program management should take steps to identify and segregate incompatible duties.

More complete reconciliation needed. The program manager reviews deposit records approximately every two weeks. Each day, payments received are re-counted and compared to the end-of-day register tape by a staff member who also prepares the daily deposits. No further reconciliation is performed. City policy requires that documents be reconciled to cash receipts on a daily basis.⁹ A complete reconciliation system would compare cash receipts, register tapes, completed applications, and certificates issued to ensure monies collected match what should have been collected.

A chain of custody for cash should be established. The program does not document the assignment of change funds at the beginning of the day and the return of change funds or the cash receipts turned in by staff at the end of the day. In addition, the program’s change fund is not counted and balanced on a daily basis as directed in MI 6-02. A completely documented chain of custody, including written verification and signatures, provides more accountability for overages or shortages, and protects employees by providing a clear record of money received and returned to supervisors for deposit. Program management should develop and implement a method for documenting the assignment and return of change funds and cash receipts. In addition, program management and staff should review the MIs to ensure that proper cash handling procedures are followed.

⁸ Wanda A. Wallace, *Handbook of Internal Accounting Controls: Second Edition* (New Jersey: Prentice-Hall, Inc., 1991), p. 346.

⁹ The city’s cash handling policies and procedures are outlined in the Manual of Instructions (MI 6-02).

Security Over Documents Needs to Be Strengthened

Our prior audit found weaknesses in controls over the security of certificates and inadequate segregation of duties over certificate issuance. At the time of the previous audit, the program had started using pre-numbered documents when issuing certificates. Although program management began taking steps to increase control, pre-numbered documents used when issuing certificates were not adequately controlled or secured to reduce the risk of loss or theft. We also found lax security over the city imprint seal, which is used to certify copies of vital records by adding a raised imprint. These items could be converted to cash or fraudulent use.

Since 1997 the program has been issuing state-certified copies of vital records from the state's database. Copies of state-certified vital records are printed on pre-numbered certificates that include a raised imprint of the state seal. Access to the state database is password controlled.

Tighter security needed over pre-numbered documents and city seal.

Program management has not inventoried the city or state documents. Blank pre-numbered state certificates are left in the printer and pre-numbered security paper is left in the copier overnight. The supply of blank pre-numbered documents is kept in a storeroom containing general office supplies that is kept unlocked during operating hours.

Additionally, the city seal used to certify city certificates is not secured at the end of the day. Prudent management practices recommend that items that could be converted to cash or fraudulent use be adequately secured to reduce the risk of loss or theft. The pre-numbered documents and the city imprint seal should be adequately secured.

MIIs on document inventories should be followed. MI 6-02 requires that inventory items be periodically reconciled. Program management has recently begun trying to track daily document use. As part of this effort, daily document use should be reconciled to sales, and pre-numbered documents should be inventoried as required in the MIIs.

Segregating certificate issuance duties may not be practical, but more oversight is needed. Our original audit had recommended that certificate issuance duties and responsibilities be segregated within the certificate issuance process. Although certificate issuance and fee collection duties are still not segregated, our follow-up work indicated that such segregation may not be practical.

The lack of segregated duties, however, increases the need for more systematic management oversight. Management review of activities is a means of ensuring adequate control in situations where it is not practical to segregate incompatible duties. To compensate for the lack of segregated duties, management needs to perform periodic reconciliations, verifications, and analytical reviews. Program management should develop and implement controls to reconcile monies collected and documents issued, and document inventory records.

Mail Application Processing Procedures Need to Be Strengthened

Some of the problems reported in our original audit concerning issuing certificates by mail remain in need of improvement. Duties need further segregation, requirements are inconsistent, and certificates are issued despite incomplete applications.

Two staff members should open and sort mail requests. One staff member is responsible for receiving and sorting mail, processing a portion of the mail requests, and preparing daily deposits. Ideally, duties should be segregated so that no single individual can authorize a transaction, record the transaction, and have custody of the asset resulting from the transaction.¹⁰ Mail should be opened and sorted by two staff members with a record maintained of the mail requests and money received.

Mail application requirements should be consistent. Mail application requirements provided to the public through the program's website and recorded phone message are not consistent with the requirements described in the program's procedure manual. The website and phone message indicate that applications must include a copy of a picture ID. The program's manual specifically notes that a copy of a picture ID is not needed with mail-in requests. Conflicting information could result in staff processing requests inconsistently. Program management should ensure that published requirements for mail request applications are consistent with internal procedures.

Mail applications incomplete, but improving. The prior audit found that 63 of 100 birth certificate mail requests reviewed were processed despite being incomplete. Our current review of birth certificate mail

¹⁰ Stephen J. Gauthier, *Evaluating Internal Controls: A Local Government Manager's Guide* (Chicago: Government Finance Officer's Association, 1996), p. 28.

requests found that incomplete requests are still being processed although there is improvement. Eight (40%) of the 20 completed mail requests we examined lacked at least one requested item. Processing incomplete requests increases the risk that a certificate may be inappropriately issued. Information requested by the program is used to determine whether the applicant has a “direct and tangible interest in the vital record”.¹¹ Program procedures should be developed to provide guidance for making and documenting this determination when requested information is missing.

Preservation of Archival Records Is Still Needed

The prior audit found that vital records were not adequately secured to prevent unauthorized access or protected against fire or other deterioration. The current facilities allow the program to adequately secure vital records and prevent unauthorized access. According to city fire marshals, the file room where vital records are stored has a water-based fire suppression system.

Continued use puts archival records at risk. The program continues to use originals of pre-1910 Kansas City, Missouri birth and death records. Some of these records are showing signs of deterioration such as frayed edges, fading, and holes. Continued use of these records increases the risk that information will be incomplete or lost.

In December 1999, the program manager discussed preservation of pre-1910 Kansas City, Missouri, vital records with the city’s Records Management Section. In January 2000, Records Management provided the program with microfilm copies of birth and death records between 1874 and 1909.

To prevent further deterioration and possible loss of archival records, program management should begin using microfilm copies of pre-1910 birth and death records to fulfill requests for records from this time period and ensure that the original records are preserved and stored in a separate location.

¹¹ RSMo §193.255.1.

Steps Have Been Taken to Improve Customer Service

The program manager has implemented a formal counter rotation work schedule to ensure adequate coverage for counter operations throughout the day. The counter is staffed by two people plus a “floater” to help during busy times. During busier times of the year, such as at the start of the school year, the counter is staffed with three people. The prior audit found that only one staff member was assigned to counter duty and that other staff members did not always help with counter duties when customer lines became long.

The program manager said that since 1996, staff members have attended customer service training to improve telephone skills and handling of difficult customers. Staff members are also being cross-trained to perform other duties within the vital records program.

City Charges the State Fee for State-Certified Vital Records

The prior audit found that the fee charged by the program for birth and death certificates was lower than that charged by the state and recommended that fees be increased to match those charged by the state. Subsequent to the audit, Kansas City voters defeated a fee increase introduced as a ballot measure.

In 1997, the program began offering state-certified birth and death certificates. These certificates are produced from the state’s database of records dating back to 1929 for births and 1980 for deaths. The fee charged by the program for state-certified birth or death records is \$10 per copy as required by state statute.¹²

City-certified birth and death certificates still cost \$6.¹³ When we initiated this follow-up, the program still offered a \$3 “short form” birth certificate. In December 1999, the program discontinued issuing the \$3 “short form” birth certificate because it could not be used to obtain records such as passports or driver’s licenses.

¹² RSMo §193.265.2.

¹³ The fee for a city-certified “full form” birth certificate or death certificate is \$3 plus a \$3 search fee.

Recommendations

1. The program manager should identify and segregate incompatible duties. If segregation is not practical, detective controls should be developed and implemented.
2. The program manager should ensure that monies collected, sales records, and documents used are reconciled on a daily basis.
3. The program manager should periodically inventory pre-numbered documents, and take steps to adequately secure these documents and the city imprint seal.
4. The program manager and staff should review and follow MI 6-02.
5. The program manager should develop and implement a method for establishing a clear record of responsibility and accountability for cash.
6. The program manager should preserve and store archival records in a separate location and use copies of pre-1910 birth and death records to fulfill requests for records from this time period.
7. The program manager should ensure that published requirements for mail request applications are consistent with internal procedures.
8. The program manager should develop and implement procedures to provide guidance when processing applications with incomplete information.

Appendix A

Prior Audit Recommendations

Exhibit 3. Prior Audit Recommendations

1. The city manager should prepare an ordinance for city council consideration that would request voter approval to raise certificate fees to the same \$10 level charged by the state. The additional revenue, projected to be about \$400,000 a year, should be designated for maternal and child health programs identified by the health director.
 2. The program manager should review the birth certificate issuance process and determine the points at which duties should be segregated.
 3. The program manager should install smoke detectors in all rooms where the vital records are stored and ensure that they are wired to the city hall basement security area. He should also install all-purpose fire extinguishers in each room where vital records are stored. To the extent possible, all sources of possible fire hazards should be eliminated from the records area, including the microwave oven, electric coffee pot, and copy machine.
 4. The program manager should complete the task of duplicating the vital records and storing those duplicate copies in a protected area away from city hall.
 5. The health director should ensure that adequate fire protection measures and climate controls should be included in the design and building of the new facility where the city's vital records will be stored.
 6. The program manager should make counter service the highest priority for staff. He should implement a policy that requires additional staff provide counter assistance after a specified number of people are in line.
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Appendix B

Audit Report Tracking System (ARTS) Reports

Audit Report Tracking System			
1.	Audit Title	2.	This Report Date
	Vital Registry & Health Statistics Program		May 14, 1995
3.	Department	4.	Last Report Date
	Health		November 18, 1994
5.	Department Head	6.	Contact Person/Phone
	Richard M. Biery, M.D., M.S.P.H.		Q.B. Welch, Ph.D., 1428
7.	Audit Release Date	8.	ARTS Number
	May 1994		94-9-2
9. Status of All Audit Recommendations			
	<u>Status</u>	<u>Date</u>	
	1. Implemented	11/18/94	
	2. In progress	5/14/95	
	3. In progress	5/14/95	
	4. Non-implementation	11/18/94	
	5. Implemented	11/18/94	
	6. In progress	5/14/95	
10. Recommendations Included in this Report			
<p>Recommendation No. 1: The City Manager should prepare an ordinance for City Council consideration that would request voter approval to raise certificate fees to the same \$10 level charged by the state. The additional revenue, projected to be about \$400,000 a year, should be designated for maternal and child health programs identified by the Health Director.</p> <p>Description of Status: Implemented. The fee increase was put to a vote of the people, as per the Auditor's recommendation, and it was defeated.</p> <p>Recommendation No. 2: The program manager should review the birth certificate issuance process and determine the points at which duties should be segregated.</p> <p>Description of Status: In progress. The Health Department entered into a contract with the Center for Management Assistance (a consultant organization for not-for-profits) to conduct an independent review of the birth certificate issuance process in response to this recommendation of the Auditor, and to facilitate a quality improvement planning process. The report was due by January 1, but was delayed due to problems of the Center for Management Assistance. A draft of the report has been completed.</p>			

Page 2 of 2
Audit Report Tracking System
Audit Title: Vital Registry & Health Statistics Program Report Date: May 14, 1995
10. Recommendations Included in this Report (continued)
<p>Recommendation No. 3: The program manager should install smoke detectors in all rooms where the vital records are stored and ensure that they are wired to the City Hall basement security area. He should also install all-purpose fire extinguishers in each room where vital records are stored. To the extent possible, all sources of possible fire hazards should be eliminated from the records area, including the microwave oven, electric coffee pot, and copy machine.</p> <p>Description of status: In progress. All-purpose fire extinguishers are on order, and smoke detectors have been installed. The Building manager has indicated there is no capability for wiring to the basement security area at present. It does not seem feasible to separate the electrical equipment from the records in the present circumstances.</p> <p>Recommendation No. 4: The program manager should complete the task of duplicating the vital records and storing those duplicate copies in a protected area away from City Hall.</p> <p>Description of status: Non-Implementation. Copies of the records after 1910 are in storage areas in Jefferson City, a complete index of the birth records exists electronically both in City Hall and in the caves, and progress is being made to issue records from the state data base in Jefferson City. That could be activated in very short time, as St. Louis City and St. Louis County are currently issuing from the state data base. Those two places did not have any automation as we have, and needed to either automate their system or utilize the state base. A copy of the pre- 1910 death certificates is in the custody of the Kansas City Public Library, and negotiations are under way for making those and the birth records (or at least some subset) available to the Genealogical Society of Utah. When those plans become more definitive, an ordinance authorizing such actions would be needed. A set of negatives of those births is stored in the City caves.</p> <p>Recommendation No. 5: The Health Director should ensure that adequate fire protection measures and climate controls should be included in the design and building of the new facility where the City's</p> <p>Description of status: Implemented. The new building design will be totally sprinklered and will be properly rated. HVAC specifications meet storage and usage requirements.</p> <p>Recommendation No. 6: The program manager should make counter service the highest priority for staff. He should implement a policy that requires additional staff provide counter service after a specified number of people are in line.</p> <p>Description of status: In progress. A request for an additional 0.5 FTE IP II has been approved for the FY96 budget, and a position is in the process of being requisitioned.</p>

Audit Report Tracking System			
1. Audit Title Vital Registry & Health Statistics Program	2. This Report Date December 21, 1995		
3. Department Health	4. Last Report Date N/A		
5. Department Head Richard M. Biery, M.D., M.S.P.H.	6. Contact Person/Phone Q.B. Welch, Ph.D., 1428		
7. Audit Release Date May 1994	8. ARTS Number 94-9-1		
9. Status of All Audit Recommendations			
<u>Status</u>	<u>Date</u>		
1. Implemented	12/21/95		
2. Implemented	12/21/95		
3. Implemented	12/21/95		
4. Non-implementation	12/21/95		
5. Implemented	12/21/95		
6. Implemented	12/21/95		
10. Recommendations Included in this Report			
<p>Recommendation No. 1: The City Manager should prepare an ordinance for City Council consideration that would request voter approval to raise certificate fees to the same \$10 level charged by the state. The additional revenue, projected to be about \$400,000 a year, should be designated for maternal and child health programs identified by the Health Director.</p> <p>Description of Status: Implemented. The fee increase was put to a vote of the people, as per the Auditor's recommendation, and it was defeated.</p> <p>Recommendation No. 2: The program manager should review the birth certificate issuance process and determine the points at which duties should be segregated.</p> <p>Description of Status: Implemented. The Health Department entered into a contract with the Center for Management Assistance (a consultant organization for not-for-profits) to conduct an independent review of the birth certificate issuance process in response to this recommendation of the Auditor, and to facilitate a quality improvement planning process. The Center for Management Assistance found the procedures followed by the staff as well as the complexity of the birth certificate issuance process makes segregation of duties an impractical approach,</p>			

Audit Report Tracking System	
Audit Title: Vital Registry & Health Statistics Program	
Report Date: November 18, 1994	
10. Recommendations Included in this Report (continued)	
<p>Recommendation No. 3: The program manager should install smoke detectors in all rooms where the vital records are stored and ensure that they are wired to the City Hall basement security area. He should also install all-purpose fire extinguishers in each room where vital records are stored. To the extent possible, all sources of possible fire hazards should be eliminated from the records area, including the microwave oven, electric coffee pot, and copy machine.</p> <p>Description of status: Implemented.</p> <p>All-purpose fire extinguishers have been installed, as are smoke detectors. The Building manager has indicated there is no capability for wiring to the basement security area at present. It does not seem feasible to separate the electrical equipment from the records in the present circumstances.</p>	
<p>Recommendation No. 4: The program manager should complete the task of duplicating the vital records and storing those duplicate copies in a protected area away from City Hall.</p> <p>Description of status: Non-Implementation.</p> <p>Copies of the records after 1910 are in storage areas in Jefferson City, a complete index of the birth records exists electronically both in City Hall and in the caves, and progress is being made to issue records from the state data base in Jefferson City. That could be activated in very short time, as St. Louis City, St. Louis County, and Buchanan County are currently issuing from the state data base. Those two places did not have an automated system as we have, and needed to either automate their system or utilize the state base. A copy of the pre- 1910 death certificates is in the custody of the Kansas City Public Library. We are planning to apply to a small grant program to automate the system. A set of negatives of those births is stored in the City caves.</p>	
<p>Recommendation No. 5: The Health Director should ensure that adequate fire protection measures and climate controls should be included in the design and building of the new facility where the City's vital records are stored.</p> <p>Description of status: Implemented.</p> <p>The new building design will be totally sprinklered and will be properly rated. HVAC specifications meet storage and usage requirements.</p>	
<p>Recommendation No. 6: The program manager should make counter service the highest priority for staff. He should implement a policy that requires additional staff provide counter service after a specified number of people are in line.</p> <p>Description of status: Implemented.</p> <p>A request for an additional 0.5 FTE IP II was included in the FY96 budget, and the new staff member is now on board.</p>	

Audit Report Tracking System			
1. Audit Title Vital Registry & Health Statistics Program	2. This Report Date January 19, 1996		
3. Department Health	4. Last Report Date May 14, 1995		
5. Department Head Richard M. Biery, M.D., M.S.P.H.	6. Contact Person/Phone Q.B. Welch, Ph.D., 1428		
7. Audit Release Date May 1994	8. ARTS Number 94-9-3		
9. Status of All Audit Recommendations			
<u>Status</u>	<u>Date</u>	<u>Status</u>	<u>Date</u>
1. Implemented	11/18/94		
2. Implemented	1/19/96		
3. Implemented	1/19/96		
4. Implemented	1/19/96		
5. Implemented	11/18/94		
6. Implemented	1/19/96		
10. Recommendations Included in this Report			
<p>Recommendation No. 1: The City Manager should prepare an ordinance for City Council consideration that would request voter approval to raise certificate fees to the same \$10 level charged by the state. The additional revenue, projected to be about \$400,000 a year, should be designated for maternal and child health programs identified by the Health Director.</p> <p>Description of Status: Implemented. The fee increase was put to a vote of the people, as per the Auditor's recommendation. It was defeated.</p> <p>Recommendation No. 2: The program manager should review the birth certificate issuance process and determine the points at which duties should be segregated.</p> <p>Description of Status: Implemented. The Health Department entered into a contract July 1, 1994 with the Center for Management Assistance (a consultant organization for not-for-profits) to conduct an independent review of the birth certificate issuance process in response to this recommendation of the Auditor, and to facilitate a quality improvement planning process. The Center for Management Assistance found the procedures followed by the staff as well as the complexity of the birth certificate issuance process makes segregation of duties impractical. We concur with the consultant, and we have also embarked on the quality improvement process.</p>			

Audit Report Tracking System

Audit Title: Vital Registry & Health Statistics Program

Report Date: January 19, 1996

10. Recommendations Included in this Report

(continued)

Recommendation No. 3: The program manager should install smoke detectors in all rooms where the vital records are stored and ensure that they are wired to the City Hall basement security area. He should also install all-purpose fire extinguishers in each room where vital records are stored. To the extent possible, all sources of possible fire hazards should be eliminated from the records area, including the microwave oven, electric coffee pot, and copy machine.

Description of status: Implemented. All-purpose fire extinguishers have been installed, as are smoke detectors. The Building manager has indicated there is no capability for wiring to the basement security area at present. It does not seem feasible to separate the electrical equipment from the records in the present circumstances.

Recommendation No. 4: The program manager should complete the task of duplicating the vital records and storing those duplicate copies in a protected area away from City Hall.

Description of status: Implemented. Copies of the records after 1910 are in storage areas in Jefferson City, a complete index of the birth records exists electronically both in City Hall and in the caves, and progress is being made to issue records from the state data base in Jefferson City. That could be activated in very short time, as St. Louis City, St. Louis County, and Buchanan County are currently issuing from the state data base. Those two places did not have any automation as we have, and needed to either automate their system or utilize the state base. A copy of the pre-1910 death certificates is in the custody of the Kansas City Public Library. We are planning to apply to a small grant program of the Missouri Department of State to microfilm local documents for preservation in State archives. In addition, we are scheduled to go on the state data base by March.

Recommendation No. 5: The Health Director should ensure that adequate fire protection measures and climate controls should be included in the design and building of the new facility where the City's

Description of status: Implemented. The new building design will be totally sprinklered and will be properly rated. HVAC specifications meet storage and usage requirements.

Recommendation No. 6: The program manager should make counter service the highest priority for staff. He should implement a policy that requires additional staff provide counter service after a specified number of people are in line.

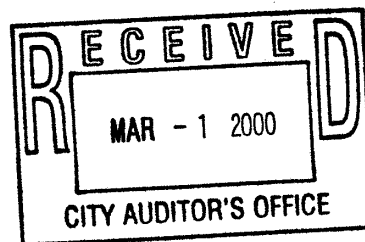
Description of status: Implemented. A request for an additional 0.5 FTE IP II was included in the FY96 budget, and the new staff member is now on board.

Appendix C

Director of Health's Response



Inter-Departmental Communication



DATE: February 28, 2000

TO: Mark Funkhouser, City Auditor

FROM:  Rex Archer, M.D., M.P.H., Director of Health

SUBJECT: Vital Registry and Health Statistics Program Follow-up Audit

Thank you for the opportunity to review your recent follow-up audit of the Vital Statistics Program. The Kansas City Health Department operates the only local full service vital statistics registry in the state of Missouri. In addition to issuing birth and death certificates, our program registers all births and deaths that occur within the Kansas City city limits. We also correct birth and death records, do legitimations, make name changes, and provide information for health related and genealogy research. The only other agency providing this full range of vital registry service is the Missouri Department of Health's Central Office in Jefferson City.

The progress made in this program over the past six years stems from a new management team that pro-actively instituted management controls and placed a greater emphasis on cross training and customer service. Another important factor in the changes made in the Vital Statistics Program was our move from City Hall to the new Health Department Facility in 1997. The space now occupied by the Vital Statistics Program was designed specifically for vital registry operations using the 1994 audit recommendations and our customers' expectations as guides.

We concur with your audit findings and recommendations. We respectfully submit the following comments and responses to those recommendations.

Recommendation 1. The program manager should identify and segregate incompatible duties. If segregation is not practical, detective controls should be developed and implemented.

Recommendation 2. The program manager should ensure that monies collected, sales records, and documents used are reconciled on a daily basis.

Recommendation 5. The program manager should develop and implement a method for establishing a clear record of responsibility and accountability for cash.

We agree with the findings and recommendations, which highlight the lack of segregated duties, can increase the potential risk of loss or theft. Since the follow-up audit concluded, cash handling duties have been segregated where no associate can collect payments and then prepare the daily deposits. The only exception would be if the program manager or the

customer service supervisor collects payments. If this occurs, the program manager and the customer service supervisor jointly perform a final reconciliation.

With this recent change, the customer service supervisor performs the final reconciliation by matching the daily register tapes, cash receipts, completed applications, and certificates issued with the total sales collected for the entire day. Also, the customer service supervisor documents on a new form any currency distributed to the staff, beginning and ending cash drawer balances for each staff member, and the \$600.00 dollar change fund is verified on a daily basis. After the reconciliation is finished, a final safeguard is performed. A copy of the final cash register z-tape is included with the completed cash receipt, which is sent to the treasury office. The daily deposit will reflect the total daily sales on the z-tape.

Recommendation 3. The program manager should periodically inventory pre-numbered documents, and take steps to adequately secure these documents, and the city imprint seal.

The program manager has recently implemented a new inventory system for the pre-numbered birth and death certificates. These city and state documents are inventoried on a daily basis. The process starts with a monthly inventory sheet, which is safely secured along with all of the pre-numbered documents in the storage room. An assigned staff member tracks beginning and ending certificates issued for the entire day. All unused documents stored in the printers during working hours and the city imprint seals are adequately secured in the storage room for overnight storage. The program manager and the customer service supervisor are the only staff members who have direct access to this area.

Recommendation 4. The program manager and staff should review and follow MI 6-02.

The program manager has distributed copies of cash handling procedures MI 6-02 to the staff. This manual is now posted in the work area. The program manager maintains a record showing that employees have read this policy. The customer service supervisor is waiting for a new schedule for cash handling classes so staff members can attend follow-up training classes.

Recommendation 6. The program manager should preserve and store archival records in a separate location and use copies of pre-1910 birth and death records to fulfill requests for records from this time period.

The Finance Department's Records Management Section provided the Vital Records program with the pre-1910 microfilm and a microfilm reader printer in January. This allows staff members to fulfill request for records from this time period while ensuring that the original pre-1910 records are not handled and prevents further damage to the archival records. The Records Management Section is in the process of ordering special preserving boxes, which will store these records in a separate location. This task should be completed by April 30, 2000.

Recommendation 7. The program manager should ensure that published requirements for mail request applications are consistent with internal procedurals.

Recommendation 8. The program manager should develop and implement procedures to provide guidance when processing applications within complete information.

The current internal procedure for releasing birth and death certificates from the Kansas City, Missouri Vital Records Office is more stringent than the code of state regulations. According to the regulations as authorized by section 193.255.1, applicants who have a direct and tangible interest may be issued a certified copy of a vital record if they can furnish adequate identifying information contained on the record. Since this regulation leaves room for interpretation, the program manager is revising the current procedure, which has caused inconsistencies in the past. In attempting to prevent fraudulent activities our office attempted to go beyond the state regulations in requiring applicants to submit picture identification before records are disclosed. Currently, the State Bureau of Vital Records does not require applicants to submit picture identification. If incomplete applications were received but the requests contain the minimum requirements directed by the state regulations, we believe it had advantages and it enhanced customer service to process these requests.

The new procedure for processing mail applications will require applicants to include at least the birth name as it appears on the certificate, birth date, parents information, and a picture identification which may only be substituted if the requestor submits a personal check with an address listed on the check. In requiring mail requests to contain at least this amount of information, the minimum requirements of the state regulations will be fulfilled while our internal consistency problems will be resolved.